



IMPORTANT INFORMATION REGARDING ENROLLMENT AND CHANGES

Administrative Fee

The cost to administer this program is paid for by each employee on a before tax basis. The monthly administrative fee is \$3.75 – for Health Care Spending Account (HCSA) alone, Dependent Care (DCAP) alone or for HCSA/DCAP combined.

Annual Maximum and Minimum for HCSA and DCAP

HCSA: The annual maximum is \$2,500 and the minimum is \$500.

DCAP: The IRS guidelines limit the annual election in the DCAP program to \$5,000.

Eligibility and Waiting Period

HCSA: Active state employees who are eligible for GIC benefits. The waiting period is the same as for other GIC life and health benefits.

DCAP: Active state employees and contract employees who work at least 18.75 hours per 37.5 hour work week or 20 hours per 40 hour work week. You are eligible on the first day of employment. Enrollment forms must be submitted to your Payroll Coordinator within 30 days from your date of hire.

Change in Status

You may change your contribution election at the beginning of each plan year. You may only change your election during the plan year if you can demonstrate a “change in status.” Only the following events will be considered a valid change in status under Internal Revenue Service rules:

- Change in legal marital status
- Change in number of dependents
- Change in employment status
- Change in work schedule which changes your eligibility for the program
- Dependent satisfies or ceases to satisfy eligibility requirements
- Change of residence or work-site
- Judgment, decree or order pertaining to child or spouse

If you would like to terminate your election as a result of a valid status change, enter a zero dollar amount in the HCSA/DCAP section(s) of the enrollment form. Payroll Coordinators must obtain the appropriate documents for a Change in Status, such as a copy of the marriage or birth certificate.

Signature and Form Submission

The employee and Payroll Coordinator must sign this form. All forms must be submitted to the Payroll Coordinator at your work site. The Payroll Coordinator must send the original form to SHPS.

Eligible Expenses under a Dependent Care Assistance Plan

Eligible expenses under a Dependent Care Assistance Plan are defined as those that enable the participant and the participant's spouse to work or to look for work. They include the following:

1. Child care centers that care for six or more children and that meet the IRS's definition of a qualified day care center
2. Caregivers for a disabled spouse or dependent who lives with the participant
3. Babysitters
4. Nursery schools
5. Day Camp
6. Household expenses, provided that a portion of such expenses are incurred to ensure a qualifying dependent's well-being and protection

Note: In compliance with the IRS guidelines, the service provider cannot be an individual for whom a personal tax exemption may be claimed. In addition, a child of the participant or spouse cannot be under the age of 19.

Ineligible Expenses under a Dependent Care Assistance Plan

1. Babysitting for social events
2. Educational expenses
3. Charges for overnight camp

Eligible Expenses under a Health Care Spending Account

Eligible expenses under a HCSA are defined as those that are medically necessary, prescribed by a licensed practitioner and are not reimbursed under another program. Eligible expenses are listed in the Participant Handbook available on the GIC's website, www.mass.gov/gic. Don't forget that expenses such as insurance premiums may be deductible on Schedule A tax return but not eligible for reimbursement through a HCSA. Some examples of eligible expenses are: acupuncture, ambulance, artificial limbs, contact lenses; health plan deductibles; dental fees; health and RX co-pays, hearing aids, most over-the-counter (OTC) drugs and more.

Ineligible Expenses under a Health Care Spending Account

Certain health care expenses are not eligible for reimbursement from your HCSA, some of which are: cosmetic surgery, cosmetic procedures, fitness programs, hair transplants, health club memberships, and insurance premiums.